



4/19/06

## THIRD READING OF BILLS

### **SB 784 (Allen)**

Senate Bill 784 would amend the General Property Tax Act to exempt the real and personal property of a Federally-qualified health center from the collection of taxes under the Act beginning December 31, 2004. The bill would be retroactive and effective for taxes levied in December 2004 and thereafter. The conflicting decisions of the local tax assessors, the boards of review, and others indicate that the law should be clarified to specify that Federally-qualified health centers are exempt from property taxes. The bill would resolve the issue, so assessors could be certain of the tax status of these health centers, preventing them from receiving large unexpected tax bills, and allowing them to focus their resources on providing health care to underserved populations.

- Committee S-2 was adopted.
- SB 784 was moved to 3<sup>rd</sup> Reading of Bills.

### **SB 927 (Allen)**

### **SB 928 (Allen)**

Senate Bill 927 provides that an individual transferring liquefied petroleum or carbonic gas, or any other gas or compound, out of or into a stationary LPG container would have to comply with any rules promulgated by the Department of Environmental Quality under Section 3c(2) of the Fire Prevention Code. (That section requires the promulgation of rules for the storage, transportation, and handling of liquefied petroleum gas.) The Act also prohibits a person from buying, selling, offering for sale, giving, taking, loaning, delivering, permitting to be delivered, or otherwise disposing of or trafficking in LPG containers unless their surface is legibly marked with the owner's name, initials, mark, or other device. The bill would delete reference to buying unmarked containers or permitting them to be delivered.

- Committee S-1 was adopted.
- SB 927 was moved to 3<sup>rd</sup> Reading of Bills.

Senate Bill 928 would allow a person to bring a civil action for damages or equitable relief against a person who violated Section 2(1) of the Act. In an action for damages, the person could recover actual damages or \$2,000, whichever was greater, for each violation, as well as costs and reasonable attorney fees. Also, under the bill, a person bringing an action in court to collect payment for transferring liquefied petroleum or carbonic gas into or out of a stationary LPG container would have to allege and prove that the person complied with Section 2(1) in the transfer of the gas, in order to prevail in the action.

- Committee S-2 was adopted.
- SB 928 was moved to 3<sup>rd</sup> Reading of Bills.

**SB 1074 (Gilbert)**

**SB 1075 (Kuipers)**

**SB 1076 (Jelinek)**

**SB 1077 (BARCIA)**

**SB 1078 (Patterson)**

**SB 1079 (Brown)**

**SB 1109 (Gilbert)**

The various incentives under the bills for fuel producers, retailers, and consumers presumably would encourage more use of alternative fuels and increase confidence in their potential to replace traditional energy sources. Additionally, the bills would provide an economic boost to the State's largest industries--agriculture and manufacturing. Ethanol and biodiesel and their manufacturing byproducts add value to farmers' commodities, and production facilities add jobs to rural communities. Increased retail access could encourage more people to purchase FFVs made by Michigan-based automobile companies. Other states have made significant investments in biofuels. Reportedly, at this time, there are more than 100 E85 pumps in Illinois and approximately 200 in Minnesota. There are only four in Michigan, however. With its strong manufacturing and agricultural traditions, Michigan has the potential to take a leadership role in the development and proliferation of alternative fuels.

Senate Bill 1074 would amend the Motor Fuel Tax Act to do the following: Impose a 12-cents-per-gallon tax on certain alternative fuels temporarily. Require an annual determination of the difference between the amount of revenue collected under the bill and the amount that would have been collected under existing tax provisions. Require the Legislature to appropriate the amount of the difference to the Michigan Transportation Fund (MTF).

- Patterson 1 was adopted [no RC].
- SB 1074 was moved to 3<sup>rd</sup> Reading of Bills.

Senate Bill 1075 would amend the Management and Budget Act to require the Director of the Department of Management and Budget, by October 1, 2006, to install the necessary fueling infrastructure, or contract with a supplier to supply alternative fuels (i.e., E85 fuel and biodiesel fuel blends), at all State motor transport facilities so that all State-owned vehicles capable of using alternative fuels were able to use them.

- Patterson 1 was adopted [no RC].
- SB 1075 was moved to 3<sup>rd</sup> Reading of Bills.

Senate Bill 1076 would amend the Michigan Strategic Fund Act to require the Fund to create and administer a matching grant program to provide incentives to service station owners and operators to convert existing fuel delivery systems, and create new fuel delivery systems, designed to provide E85 fuel and biodiesel blends. The program would have to provide grants of up to 50% of the costs to convert an existing fuel delivery system, not to exceed \$2,000 per facility; and up to 50% of the new construction costs to create a fuel delivery system, not to exceed \$20,000 per facility.

- Patterson 1 was adopted [no RC].
- SB 1076 was moved to 3<sup>rd</sup> Reading of Bills.

Senate Bill 1077 would create the "Fuels of the Future Commission Act" to establish the Fuels of the Future Commission within the Michigan Department of Agriculture (MDA); and require the Commission to investigate and make recommendations to the Governor and the Legislature regarding alternative fuels.

- SB 1077 was moved to 3<sup>rd</sup> Reading of Bills [no amendments].

Senate Bill 1078 would amend the Michigan Renaissance Zone Act to allow the State Administrative Board to designate up to 10 additional renaissance zones for renewable energy facilities.

- Patterson 2 was adopted.
- Patterson 2a was adopted.
- Committee S-3 was adopted.
- SB 1078 was moved to 3<sup>rd</sup> Reading of Bills.

Senate Bill 1079 would amend the Motor Fuels Quality Act to extend to diesel and specified alternative fuels regulations concerning the quality, storage, manufacture, delivery, and sale of gasoline; require distributors and retail dealers of diesel and alternative fuels to obtain a license for each retail outlet; and require firms selling hydrogen in Michigan to register with and be approved by the MDA.

- Patterson 1 was adopted [no RC].
- SB 1079 was moved to 3<sup>rd</sup> Reading of Bills.

Senate Bill 1109 would repeal Section 1124 of the Motor Fuel Tax Act, which provides that selling or knowingly purchasing any motor fuel or other product for use in the fuel supply tank of a motor vehicle for use on the public roads or highways of this State that does not meet ASTM standards is a felony.

- Gilbert 1 was adopted.
- SB 1109 was moved to 3<sup>rd</sup> Reading of Bills.

### **SB 1111 (Brown)**

Senate Bill 1111 would amend the definition of "qualified commercial activity" in the plant rehabilitation and industrial development Act to revise the criteria for a warehousing, distribution, or logistics facility, and include a communication service center. Today's warehousing and distribution centers are sophisticated operations that provide their employees with good pay and benefits, and make significant capital investments in their facilities, thus benefiting the local economy and, indirectly, the State economy as well. Many local governments in Michigan, Ohio, and Indiana compete against each other to recruit these businesses. Michigan communities, however, cannot offer the tax abatements available elsewhere, and have failed to attract operations that located just across the border. One example involves the Performance Food Group, which in 2003 was considering St. Joseph County as a distribution site, where it was expected to create 400 jobs (paying an hourly wage of about \$18) and invest approximately \$15 million. Eventually, Performance Foods chose to locate in northern Indiana where it received a 10-year, 50% tax abatement that St. Joseph County could not match. A more recent example is the SYSCO Corporation's February 2006 announcement that it had decided to locate its Midwest redistribution center in Hamlet, Indiana, where it evidently will construct a 700,000-square-foot building and create 450 new jobs. Reportedly, South Bend, Indiana, brought in five distribution centers within the last five years, and Stark County, Indiana, recently attracted a Pennsylvania-based homebuilder, Toll Brothers, which plans to build a distribution center employing 300 people.

- SB 1111 was moved to 3<sup>rd</sup> Reading of Bills [no amendments].

### **SB 1176 (Stamas)**

Senate Bill 1176 would amend the Income Tax Act to allow a taxpayer to claim a \$150 credit in the tax year for which he or she had a certificate of stillbirth from the Department of Community Health, as provided under Section 2834 of the Public Health Code. A taxpayer could claim the credit for tax years beginning after December 31, 2005. If the amount of the credit exceeded the taxpayer's tax liability for the tax year, the excess portion would have to be refunded. According to the Department of Community Health, about 750 stillbirths occur annually in Michigan. In addition to coping with the trauma of the stillbirth, the parents of a stillborn child face the expense of a funeral as well as the prenatal and preparation expenses faced by all expectant parents. Some people believe that the parents of a stillborn child should receive an income tax credit to assist them with these expenses.

- SB 1176 was moved to 3<sup>rd</sup> Reading of Bills [no amendments].

### **HB 4502 (Amos)**

House Bill 4502 would increase the fines for second and third violations to between \$1,000 and \$7,500 for a second violation, and between \$2,000 and \$10,000 for a third violation. The bills increase penalties for multiple violations of the two acts. This does not affect the small businesses that may unwittingly violate the law. Rather, the bill targets those businesses that

willfully and repeatedly violate the state's consumer protection laws. Moreover, HB 4502 would apply to other sales, not just gasoline. It hasn't been shown that there is a problem with other sales by weight or measurement, such as the use of grocery scales and scanners.

- Van Woerkom 1 was adopted.
- HB 4502 was moved to 3<sup>rd</sup> Reading of Bills.

## **HB 5627 (Rocca)**

House Bill 5627 would amend the Michigan Liquor Control Code to prohibit a person from leasing, and furnishing to another person, any place not licensed under the Code in which another person could drink alcohol for consideration. The bill also would expand the definition of "consideration". The Code prohibits a person from maintaining, operating, or leasing, or otherwise furnishing to any person, any premises or place that is not licensed under the Code within which the other person may engage in the drinking of alcoholic liquor for consideration. The bill also would prohibit a person from obtaining by way of lease or rental agreement, and furnishing or providing to any other person, any unlicensed premises or place within which any other person could engage in the drinking of alcoholic liquor for consideration. Currently, "consideration" means any fee, cover charge, the storage of alcoholic liquor, the sale of food, ice, mixers, or other liquid used with alcoholic drinks, or the furnishing of glassware or other containers for use in the consumption of liquor in conjunction with the sale of food. Under the bill, "consideration" also would include a ticket purchase, or the purchasing of any service or item, or combination of service and item.

- HB 5627 was moved to 3<sup>rd</sup> Reading of Bills [no amendments].

## **Advise & Consent**

Advise & Consent of Kirk Steudle as Director of the Department of Transportation.

- Kirk Steudle was approved to be Director of Department of Transportation [RC 235: 35 yes, 0 no].